

AMENDED IN SENATE AUGUST 12, 2002
AMENDED IN ASSEMBLY MAY 13, 2002
AMENDED IN ASSEMBLY FEBRUARY 26, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

Assembly Concurrent Resolution

No. 125

Introduced by Assembly Member Papan

January 7, 2002

Assembly Concurrent Resolution No. 125—Relative to the protection of personal information.

LEGISLATIVE COUNSEL'S DIGEST

ACR 125, as amended, Papan. Relative to the protection of personal information.

This measure would request and authorize the California Law Revision Commission to study, report on, and prepare recommended legislation concerning the protection of personal information relating to or arising out of financial transactions if funding is provided in the 2002-03 Budget Act ~~or from private sources~~. The measure would direct that the recommended legislation address specified objectives.

Fiscal committee: yes.

- 1 WHEREAS, The Financial Services Modernization Act,
2 commonly known as the Gramm-Leach-Bliley Act, became law
3 in 1999, and reformed the laws that define and regulate the
4 structure of the financial services industry; and
5 WHEREAS, The Gramm-Leach-Bliley Act greatly liberalized
6 the ways that financial institutions were permitted to share

1 nonpublic personal information, and has, in turn, highlighted the
2 extent to which various entities buy, sell, and use nonpublic
3 personal information; and

4 WHEREAS, The Gramm-Leach-Bliley Act does not provide a
5 comprehensive framework by which citizens may control access
6 to their nonpublic personal information, but instead explicitly
7 permits the states to enact laws that provide for greater protection
8 of the privacy of nonpublic personal information; and

9 WHEREAS, The citizens of California have indicated their
10 great concern with this issue, and have made clear their
11 overwhelming desire to have control over the disclosure of their
12 nonpublic personal information; now, therefore, be it

13 *Resolved by the Assembly of the State of California, the Senate*
14 *thereof concurring*, That the Legislature authorizes and requests
15 that the California Law Revision Commission study, report on,
16 and prepare recommended legislation *by January 1, 2005*, if
17 funding is provided in the 2002–03 Budget Act ~~or from private~~
18 ~~sources~~ specifically for this purpose, concerning the protection of
19 personal information relating to, or arising out of, financial
20 transactions, and that this legislation shall accomplish the
21 following objectives:

22 (a) Provide consumers with notice and the opportunity to
23 protect and control the dissemination of their personal information
24 by, and between, companies and their affiliates and non-affiliated
25 third parties;

26 (b) Authorize and direct affected regulators to prepare
27 regulations that will recognize the inviolability and confidentiality
28 of a consumer's personal information and the legitimate needs of
29 entities that lawfully use the information to engage in commerce
30 at the behest of consumers or for their benefit;

31 (c) Assure that regulated entities will be treated in a manner so
32 that, regardless of size, an individual business, holding company,
33 or affiliate will not enjoy any greater advantage or suffer any
34 burden that is greater than any other regulated entity;

35 (d) Be compatible with, and withstand any preemption by, the
36 Gramm-Leach-Bliley Act or the federal Fair Credit Reporting
37 Act;

38 (e) Provide ~~both~~ *for civil remedies and* administrative and civil
39 penalties *for a violation of the recommended legislation*,
40 including, but not limited to, attorney's fees, costs, *actual and*

1 *compensatory damages*, and exemplary damages, *including, but*
2 *not limited to, relief* as provided pursuant to Article 3
3 (commencing with Section 3294) of Chapter 1 of Title 2 of Part 1
4 of Division 4 of the Civil Code, and as provided in unfair business
5 practices actions brought under Article 1 (commencing with
6 Section 17000) of Chapter 4 of Part 2 of Division 7 of the Business
7 and Professions Code; and be it further

8 *Resolved*, That it is not the intent of the Legislature that
9 *enactment of* this measure restrict the introduction ~~or~~, passage, *or*
10 *operation of* legislation relating to the financial service industry or
11 related privacy issues; and be it further

12 ~~RESOLVED~~

13 *Resolved*, That the Chief Clerk of the Assembly transmit copies
14 of this resolution to the California Law Revision Commission and
15 to the author for appropriate distribution.

